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**DISCLOSURE STATEMENT  
OF  
KAMLANDS HOLDINGS LTD.  
and  
TOBIANO  
Bluff Lots**

**DEVELOPER:**

**Kamlands Holdings Ltd.**

**REAL ESTATE AGENT:**

**The Developer is currently marketing the property through the staff of the Developer.**

**Business Address**  
38 Rue Cheval Noir  
Tobiano, BC  
V1S 0B3

**Service Address**  
700-275 Lansdowne Street  
Kamloops, BC  
V2C 6H6

**The Developer reserves the right to appoint additional or replacement agents or subagents.**

**DATED: March 16, 2015**

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 for information on the purchase agreement. That information has been drawn to the attention of \_\_\_\_\_, who has confirmed that fact by initialling a separate acknowledgement form and by initialling in the space provided here:

**INITIALS: \_\_\_\_\_**

### *RIGHT OF RESCISSION*

Under section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the developer or the developer's brokerage, within 7 days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail to:

- (a) the developer at the address shown in the disclosure statement received by the purchaser,
- (b) the developer at the address shown in the purchaser's purchase agreement,
- (c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser, or
- (d) the developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The developer must promptly place purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the developer or the developer's trustee must promptly return the deposit to the purchaser.

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## **1. The Developer**

### **1.1. Incorporation**

The Developer is Kamlands Holdings Ltd. (British Columbia incorporation number BC0485903, incorporated on December 12, 1994) (the “Developer”).

### **1.2. Assets**

The Developer was incorporated for the purpose of acquisition and development of the planned comprehensive resort development known as Tobiano described in Section 2.1 which includes the Lots (as defined in Section 2.1). Accordingly, the Developer has no assets other than the Development itself.

### **1.3. Registered and Records Office**

The registered and records office of the Developer is 700-275 Lansdowne Street, Kamloops, BC V2C 6H6.

### **1.4. Director(s)**

The director of the Developer is Michael Ternier (“Mr. Ternier”).

### **1.5. Previous Bankruptcy or Penalties**

#### **The Developer**

- (a) The Developer was created solely to construct the planned comprehensive resort development known as “Tobiano”. The Developer was originally owned and operated by Michael Grenier and William Grenier. The Developer was controlled by The Bowra Group Inc. (the “Receiver”) from June 10, 2011, until November 5, 2014 (the “Receivership Period”), pursuant to and order of the Court under the BC Supreme Court Action No. S113127, Vancouver Registry (the “Order”). The Receiver acted as the Receiver- Manager of the assets, undertakings and properties of the Developer and pursuant to the Order.
- (b) Mr. Ternier took control of the Developer on November 18, 2014, after the Receivership Period and has had control of all of the assets, undertakings and properties since that time. Mr. Ternier has been involved in the construction industry since 1977 and in single and multi-family residential developments since 1995. Mr. Ternier has extensive experience in the design and development of residential subdivisions. Mr. Ternier’s past land development projects include the Sedona Pine’s subdivision in the 1990s, and the Aberdeen Highlands subdivision which he became involved with in 2000, both located in Kamloops, British Columbia. Although Mr. Ternier is no longer active in the actual construction side of land development, he was also a contractor for the installation of underground utilities for residential and commercial developments.

- (c) To the best of the Developer's knowledge, neither the Developer, nor any principal holder of the Developer, nor any director or officer of the Developer or the Developer's principal holder, within the ten years immediately preceding the date of the Developer's declaration attached to this Disclosure Statement, have been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.
- (d) To the best of the Developer's knowledge, except as disclosed herein, the Developer, any principal holder of the Developer, or any director or officer of the Developer or principal holder within the five years before the date of the Developers declaration attached to this Disclosure Statement, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency of has been subject to or instituted any proceedings, arrangement, or compromise with creditors of had a receiver, receiver manager or trustee appointed to hold assets of that person.
- (e) To the best of the Developer's knowledge, no director, officer or principal holder of the Developer, or any director or officer of the principal holder of the Developer, within the five years prior to the date of the Developer's declaration attached to this Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity:
  - (i) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud; or
  - (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **The Receiver**

- (f) To the best of the Developer's knowledge, except as disclosed herein, neither of the Receiver, any principal holder of the Receiver, or any director or officer of the Receiver, within the ten years before the date of the Developer's declaration attached to this Disclosure Statement, have been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, and describe any penalties or sanctions imposed.

- (g) To the best of the Developer's knowledge, except as disclosed herein, neither of the Receiver, any principal holder of the Receiver, or any director or officer of the Receiver or principal holder within the five years before the date of the Developer's declaration attached to this Disclosure Statement, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors of had a receiver, receiver manager or trustee appointed to hold the assets of that person.
- (h) To the best of the Developer's knowledge, except as disclosed herein, no director, officer or principal holder of the Receiver, or any director or officer of the principal holder, within the five years prior to the date of the Developer's declaration attached to the disclosure statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:
  - (i) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, and describe any penalties or sanctions imposed, or
  - (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## **1.6. Conflicts of Interest**

Except as disclosed in this section, there are no existing or potential conflicts of interest among the Developer, any directors, officers and principal holders of the Developer and any directors and officers of the principal holders, and any persons providing goods or services to the Developer in connection with the Development which could reasonably be expected to affect the purchaser's purchase decision.

The principal holders of the Developer also control Tobiano Utilities Inc., Tobiano Waste Water Inc., Tobiano Communications Inc. and the Tobiano Resort Association (see Section 3.1).

## **2. General Description**

### **2.1. General Description of the Development**

The Tobiano Bluff Lots development consists of 54 individual lots ("Development") forming part of the planned comprehensive resort development known as Tobiano ("Tobiano") being undertaken by the Developer on lands adjacent to Kamloops Lake near Kamloops, British Columbia.

Of the 54 lots created by the filing of subdivision Plan KAP86125 in the Kamloops Land Title Office on March 6, 2008, 39 have already been conveyed to purchasers or are not available for sale and only the 15 lots (the "Lots") listed in Exhibit A are available for sale under this Disclosure Statement.

The location, layout and dimensions of the Lots created by the subdivision are described on Subdivision Plan KAP86125, a reduced copy of which is attached as Exhibit B and such Lots are legally described in Exhibit A of this Disclosure Statement.

The Developer does not provide to purchasers any assurances whatsoever with respect to the completion of the Tobiano development or any elements thereof, or the timing, sequencing, nature or extent of the development of sale of the remaining lands within the Tobiano development as further development of the Tobiano lands will be undertaken only at such time, if any, as the Developer in its sole discretion shall from time to time determine.

Except as expressly stated in this Disclosure Statement, the Lots will be unimproved. The Developer intends to market all of the Lots as fee simple lots. The Lots will be owned individually by the purchasers of such Lots. Purchasers will be responsible for building homes on the Lots.

The Lots are currently zoned as described in Section 2.2 of this Disclosure Statement. In addition, other lands within Tobiano may be the subject of rezoning and development applications and may contain additional residential, commercial and recreational developments and amenities. The Developer does not provide to any purchaser any assurances whatsoever with respect to the timing, sequencing, nature or extent of rezoning, sale or development of other lands within Tobiano, or membership in or the right to use any recreational facilities forming part of Tobiano, all of which remain entirely at the discretion of the Developer and third party purchasers of other development sites within Tobiano. Purchasers will be required as a condition of the purchase of a Lot not to oppose the rezoning and further development of other lands within Tobiano and will be required by the terms of the Agreement of Purchase and Sale attached hereto as Exhibit C to support such further rezoning and development.

The Development is in the vicinity of a portion of Tobiano which the Developer has developed as a golf course and is therefore subject to all hazards incidental to the adjacent operation of a golf course including, without limitation, the possibility that errant golf balls may strike persons or property while located on, within or about the Development or other lands forming part of Tobiano.

The Development is in close proximity to a rail line operated by Canadian Pacific Railway and is therefore subject to any noise or vibration incidental to the operation of a rail line including the passage of trains along the rail line.

The Developer has established a resort association, the Tobiano Resort Association, membership in which will be mandatory for all purchasers and owners of the Lots, to

ensure the reasonable and fair allocation of common costs between the Lots and other parcels comprising Tobiano as set out in Section 3.1(k) of this Disclosure Statement.

The road required for access from the Trans-Canada highway to the Development and the interior road within the Development have been dedicated as public roads. Access or driveway arrangements to the Lots are described in Section 3.1(i) of this Disclosure Statement. Some roads in the Tobiano development (including within the Development) may be private roads maintained by the Tobiano Resort Association.

## **2.2. Permitted Use**

All of the Lots being offered for sale pursuant to this Disclosure Statement are designated (Comprehensive Development) under Thompson Nicola Regional District's ("TNRD") zoning bylaw, extracts of which are attached as Exhibit D. Purchasers should review the TNRD's entire zoning bylaw which can be located on the TNRD website ([www.tnrd.ca](http://www.tnrd.ca)). Each of the Lots is intended for residential purposes subject to any alternate uses permitted under the zoning bylaw. None of the Lots may be used for commercial or other purposes not ancillary to residential purposes except as permitted by the zoning bylaw. Any non-residential use must comply with the bylaws and zoning of the TNRD or other governmental authority having jurisdiction.

By virtue of a covenant registered or to be registered by the Developer against title to the Lots, no rental or other occupancy right may be granted in respect of any of the Lots for a period of less than thirty (30) days unless otherwise approved by the Developer.

## **2.3. Building Construction**

Each purchaser of a Lot will be responsible for the construction of a home and improvements thereon in accordance with all applicable requirements of the BC Building Code, BC Electrical Code and BC Fire Code, all applicable laws, bylaws, rules and regulations of the TNRD and other applicable governmental authorities, any encumbrances to be registered against title including without limitation the Development Covenant and Design Guidelines described in Section 2.4 of this Disclosure Statement and in accordance with the terms of the Agreement of Purchase and Sale made between such purchaser and the Developer. Purchasers of Lots will be responsible for obtaining a building permit from the TNRD in respect of the construction of a home or other improvements on a Lot.

## **2.4. Development Covenant**

The Developer has registered against title to the Lots, a Section 219 covenant (including a rent charge) and/or a restrictive covenant ("Development Covenant") in favour of the Developer or an entity approved by the Developer which governs the use and development of all of the Lots. The Development Covenant incorporates design guidelines ("Design Guidelines") which requires among other things that the construction of a home or other improvements comply with certain site development, architectural,



landscaping and construction requirements including a design review and approval process. A copy of the form of Design Guidelines is attached as Exhibit E.

The Development Covenant includes provisions in respect of the following:

- (a) the restriction and regulation of the permitted uses of the Lots including restriction on further subdivision of the Lots;
- (b) the restriction of the development of any improvements to specified building envelopes;
- (c) the requirement for each Lot owner to retain a Designated Designer, a Designated Landscape Designer and a Designated Contractor for the owner's development;
- (d) the requirement to submit plans and specifications in conformance with the requirements set out in the Design Guidelines for any development to the Design Review Committee ("DRC") for its review and approval and not to carry out any construction or development except in accordance with approved plans and specifications and any encumbrances registered against title to the Lots;
- (e) the requirement to obtain preliminary design approval and final design approval from the DRC and a Notice to Proceed from the DRC prior to carrying out any construction or development and a Certificate of Compliance from the DRC upon completion and an occupancy permit from the TNRD prior to occupying any improvements;
- (f) the requirement to comply with all applicable laws including the BC Building Code, the BC Electrical Code and the BC Fire Code;
- (g) the requirement to comply with the Design Guidelines;
- (h) releases and indemnities in favour of the Developer and all related persons;
- (i) the requirement to post a Preconstruction Maintenance Deposit (\$2,500) at the time of transfer of title, a Compliance Deposit (\$10,000) and a Damage Deposit (\$5,000) upon submittal of the Final Design Submittals to the DRC in accordance with the Design Guidelines;
- (j) the requirement to pay the fees and expenses of the DRC;
- (k) the requirement to meet the construction deadlines applicable to each Lot in accordance with Section 7.5 of this Disclosure Statement;
- (l) the requirement to renew, maintain and repair all improvements and landscaping;
- (m) general remedies in favour of the Developer and the requirement to pay damages to the Developer for the occurrence of a default in respect of the deadlines

referred to in the Development Covenant in respect of any obligations of the owner under the Development Covenant and/or Design Guidelines;

- (n) a rent charge in favour of the Developer charging the Lots as security for the observation and performance by the Lot owners of all of their duties and obligations to the Developer or entity approved by the Developer under the Development Covenant, including the obligation to pay all amounts owing to the Developer thereunder and remedies for enforcement of the rent charge; and
- (o) a schedule of restrictions similar to those attached as Exhibit F with such amendments as the Developer in its sole discretion shall determine.

The Developer and/or DRC may waive any requirements set out in the Development Covenant in its absolute discretion.

All owners of the Lots and their design professionals and other representatives will be bound by the Development Covenant and Design Guidelines.

The Developer may make such changes to the Development Covenant and Design Guidelines including the provisions described above as are determined by the Developer in its sole discretion or as may be required by the Land Title Office.

### **3. Servicing Information**

#### **3.1. Utilities and Services**

The services which are available to the Development include water, electricity, sewerage, natural gas, fire protection, telephone and cable television.

Water and sanitary sewer services are provided to the Lot line and paved road access is provided up to the frontage area of the Lots prior to completion of the sale of the Lots. The sanitary sewer services for the Lots is able to accept sewage as at the completion of the sale of the Lots. Construction of a sewer lift station associated with sanitary sewer services to the Lots has been completed.

In the case of water, electricity, sewerage, natural gas, telephone and cable television services, the Developer provides connections to the boundary of each Lot. However, the connection of any such utility or service to any future home constructed on a Lot will be the responsibility of the Lot owner.

Particulars of certain of the utilities and services referred to above are as follows:

- (a) **Water.** Each Lot has been serviced to the outside boundary of the Lot by a community water system owned and operated by Tobiano Utilities Inc. a company currently controlled by the Developer. The Developer has obtained the required Certificate of Public Convenience and Necessity from the Comptroller of Water Rights under the *Water Act*. The water system meets the requirements of applicable governmental authorities. Lot owners will be required to connect to the

water service lines in connection with the development of their Lots and will be required to make application to Tobiano Utilities Inc. for water hook-up. The use of water conserving plumbing features including ultra-low flush (ULF) toilets and low flow taps and shower heads is mandatory and a condition of water hook-up. Each Lot owner must install, at his or her cost, a water meter of a make and model approved by the Developer or Tobiano Utilities Inc. There will be an annual water service availability charge payable in advance for each year prior to a home being hooked up to the water system. The combined annual water service availability charge and sewer service availability charge is \$606, subject to approval by the Comptroller of Water Rights or as otherwise established under the *Water Act*. There will also be a one-time hook-up charge for connection to the water system. The combined water and sewer hook-up charges will be \$7,500, subject to approval by the Comptroller of Water Rights or as otherwise established under the *Water Act*. Following hook-up with the water system, each Lot owner will be required to pay Tobiano Utilities Inc. the water user rate in effect from time to time as set out in the tariff approved by the Comptroller of Water Rights or as otherwise established under the *Water Act*. The obligation of a Lot owner to pay these amounts is secured by a rent charge registered on title.

- (b) **Sanitary Sewer.** Each Lot has been serviced to the outside boundary of the Lot by a sanitary sewer system owned and operated by Tobiano Wastewater Inc. and the owners of the Lots will be required to connect to the sanitary service lines in connection with the development of their Lots. The Developer has obtained any required approvals for the system from the Ministry of Environment. The sanitary sewer system is a community sewage system meeting the requirements of applicable governmental authorities. Lot owners will be required to make application to Tobiano Wastewater Inc. for sanitary sewer hook-up and to pay the hook-up charges and rates established from time to time. The Developer or Tobiano Wastewater Inc. has supplied and installed a sanitary inspection chamber. In the event of damage to a sanitary inspection chamber during construction of improvements on the Lot, the Lot owner will be required to repair or replace the sanitary inspection chamber. There will be an annual sewer service availability charge payable in advance for each year prior to the hook-up. There will also be a one-time hook-up charge for the sewer service. The combined water and sewer availability charges and hook-up charges are described in Section 3.1(a) of this Disclosure Statement. Following hook-up with the sewer system, each Lot owner will be required to pay Tobiano Wastewater Inc. the sewer user rates for sewer services established by Tobiano Wastewater Inc. in effect from time to time. The obligation of a Lot owner to pay these amounts is secured by a rent charge registered on title.
- (c) **Electricity.** The Development has been serviced by an underground conduit for electrical servicing to the outside boundary of the Lots. Each Lot owner will be responsible for arranging for connection to the electrical service line, arranging for service with the utility provider and paying any connection costs in respect thereof. The electrical service is supplied by the British Columbia Hydro and Power Authority to each Lot on application for and payment of the applicable

application, hook-up and handling charges. Permits for hook-up of services to improvements and installing of services will be the responsibility of each Lot owner. Connection and hook-up charges, as well as monthly usage charges, will be billed by the British Columbia Hydro and Power Authority to the Lot owner. The electricity for the Lots will be separately metered to each Lot.

- (d) **Telephone.** The Development is serviced by an underground conduit for telephone to the outside boundary of the Lots. The telephone service is voice over internet service (“VOIP”) provided by Tobiano Communication Inc. Tobiano Communications Inc. has in turn contracted with Telephone Navigata-Westel to supply the VOIP service. All fees are billed by Telephone Navigata-Westel. Owners of Lots will be required to arrange for their own telephone services through Tobiano Communication Inc. Supply of telephone services is subject to the applicable application and handling charges to be paid by the Lot owner. Connection and hook-up charges, as well as monthly usage charges will be billed by Tobiano Communications Inc. to the Lot owner.
- (e) **Fire Protection.** The Development is serviced with fire hydrants. Firefighting services are provided by the Tobiano Volunteer Fire Department which is organized by the Tobiano Resort Association. Accordingly, each Lot owner should nonetheless discuss fire prevention measures with his or her Designated Designer described in the Design Guidelines and ensure that any appropriate preventative steps are taken when the Lot owner’s single family home is constructed. Such steps may include for example the installation of sprinklers and the use of appropriate building materials. The Developer has had discussions with the TNRD about extending fire protection services to Tobiano and is continuing those discussions. Owners of Lots will be responsible for paying for the cost of fire protection services as assessed by the TNRD, the Tobiano Resort Association or the service provider. The obligation of a Lot owner to pay these charges is secured by a rent charge registered on title.
- (f) **Cable Television.** The Development is serviced by an underground conduit fiber optic cable for cable television service to the outside boundary of the Lots. The cable distribution system is owned and operated by Tobiano Communication Inc. The Developer has contracted with a service provider, Mascon Cable Systems, a subsidiary of Shaw Communications, for the supply of these services, however, the supplier of services is subject to change at the Developer’s discretion which may also change the connection type. Supply of cable television service is subject to the applicable application and handling charges to be paid by the Lot owner and installation of the required hardware. Connection and hook-up charges as well as monthly usage charges will be billed by the provider of such services to the Lot owner.
- (g) **Natural Gas.** The Development is serviced with natural gas to the boulevard outside boundary of the Lots. The gas distribution system is owned and/or operated by Fortis BC. Supply of natural gas service is subject to the usual application, hook-up and handling charges to be paid by the Lot owner. Permits

for hook-up of services to improvements and installing of services will be the responsibility of the Lot owner. Connection and hook-up charges as well as monthly usage rates and charges will be billed by the provider of such services to the Lot owner. Owners will be required, at their own expense, to install a gas meter and pay the applicable hook-up fees and user rates and charges.

- (h) **Garbage Collection.** Curbside garbage pickup is provided by the TNRD. Garbage is hauled to the TNRD waste transfer station at Savona or elsewhere as the TNRD may from time to time determine. Monthly charges will be billed by the TNRD to the Lot owners and such charges may be based on usage or on flat rates not dependent upon usage or otherwise as determined by the TNRD. These monthly charges will be billed to the Owners as part of the TNRD's annual tax statement. Owners will be responsible for paying the cost of garbage collection services as assessed by the TNRD or other service provider. The obligation of a Lot owner to pay these amounts is secured by a rent charge registered on title.
- (i) **Access.** Access to and from the Development is by way of a dedicated public road off the Trans-Canada Highway, constructed by the Developer and owned, operated and maintained by the Province. Access from the Trans-Canada Highway consists of a main (full movement) access to the west of the Lots and a secondary right in/right out access to the east of the Lots. The road within the Development servicing the Lots will be a public road maintained by the Province. Owners will be responsible for construction of common driveways. Latecomers (owners of Lots with common driveways who subsequently develop their Lot) will be required to contribute to the construction and maintenance costs of such common driveways so that such costs are shared equally by the owners of such Lots (a reciprocal agreement/covenant has been registered on title to this effect, and includes other conditions).
- (j) **Schools.** There are no schools in the immediate vicinity of the Development, the nearest schools being at Savona and Kamloops, BC. Purchasers are advised that they may be responsible for transportation of students to schools. The Kamloops School District No. 73 may ultimately provide bus services if the population warrants such services. Purchasers should assume such service is not available.
- (k) **Resort Amenities.** The TNRD will be the taxing authority and it is anticipated that it will adopt a service area bylaw for the provision of some or all of the following services which may be contracted out by the TNRD to the Developer, the Tobiano Resort Association or a third party including without limitation inspecting, maintaining, repairing and replacing boulevards, landscaped areas, walkways, parks, trails, sidewalks, parking areas, storm sewers and street lighting; street cleaning; supplementary snow and ice removal, salting, sanding and similar services in respect of roads, sidewalks, paths and trails; fire protection and response facilities and services; garbage collection and removal and collection and removal of recyclables; inspection, maintenance, repair and replacement services in respect of areas of Tobiano available from time to time for use by the owners and occupants of the lands within Tobiano generally including, without

limitation, pedestrian or equestrian trails and such other areas as may be designated from time to time; bus shelters, street benches, public art; and other facilities intended for common use by residents of the Tobiano resort community. The Developer has established a resort society (the Tobiano Resort Association), the membership in which is mandatory to provide certain other services required in the Developer's opinion to be provided for the benefit of the Lots and other parcels comprising Tobiano including without limitation resort signage, public ornamentation, resort marketing, the display of banners and other decorative items, signage displays and implementation of other beautification programs, any other services including any services referenced above which may not initially be included in a TNRD service area bylaw, and any services which from time to time may no longer be included in the services provided by the TNRD through a service area bylaw or otherwise. Each Lot owner will be responsible to pay any property or other tax assessment levied by the TNRD in respect of services provided by the TNRD through a TNRD service area bylaw or otherwise. In addition, each Lot owner will be responsible for his or her proportionate share of costs of services as determined by the Tobiano Resort Association to ensure the fair and reasonable allocation between the Lots and other parcels comprising Tobiano of such common costs. Fees for the resort amenities may vary based on the services provided and the number of owners paying for the services.

The Developer has registered against title to the Lots a Section 219 covenant (including a rent charge) and/or a restrictive covenant and statutory right of way in favour of the TNRD and/or the Tobiano Resort Association describing the provision of such services and securing repayment to the TNRD and/or the Tobiano Resort Association amounts owed to it in connection with the provision of such services. Amounts payable by Lot owners may include a capital reserve to be established by the Developer, or an entity approved by the Developer, in respect of the provision of some or all of such services.

#### **4. Title and Legal Matters**

##### **4.1. Legal Description**

The legal descriptions of the Lots are as set out in Exhibit A. Titles to the Lots already exist and purchasers should obtain copies from Land Title Office.

##### **4.2. Ownership**

The Developer is the registered owner of the Lots. Copies of the titles to the individual Lots may be obtained from the Land Title Office.

#### **4.3. Existing Encumbrances and Legal Notations**

The existing encumbrances and legal notations registered in respect of the Lots are set out on Exhibit A and are briefly described in Exhibit G to this Disclosure Statement. Copies of the existing charges registered against the titles to the individual Lots may be obtained from the Land Title Office. Most of the existing encumbrances and legal notations relate to the matters described in Section 3.1 or elsewhere in this Disclosure Statement. Purchasers should however obtain a copy of the title to the Lot they are purchasing and review the charges currently on title.

#### **4.4. Proposed Encumbrances**

The proposed encumbrances and legal notations to be registered in respect of the Lots are set out and briefly described in Exhibit H to this Disclosure Statement.

#### **4.5. Outstanding or Contingent Litigation or Liabilities**

There are no outstanding or anticipated litigation or liabilities in respect of the Development or against the Developer that may affect the Lots or prospective owners.

#### **4.6. Environmental Matters**

The Developer is not aware of any dangers connected with the Development in respect of the condition of the soil or subsoil, or any other environmental conditions except as set out and provided for to the satisfaction of the relevant authorities in the encumbrances described in Exhibits G and H to this Disclosure Statement.

#### **4.7. Archaeology**

The Development is located in proximity to known archaeological sites. Archaeological sites in BC, whether recorded or unrecorded, are protected under provisions of the *Heritage Conservation Act* and may not be altered without a permit issued by the Ministry of Tourism, Sports and the Arts, Archaeology Permitting and Assessment Section. Since potential does exist for the presence of unrecorded sites on the Development, owners of Lots will be required to comply with the *Heritage Conservation Act* and policies of the Archaeology Branch.

### **5. Construction and Warranties**

#### **5.1. Timing of Subdivision**

The subdivision plan creating the Lots as separate registered parcels was tendered for registration in the Land Title Office under No. KAP86125 on March 6, 2008.

#### **5.2. Completion of Services and Utilities**

The construction or installation of the utilities and services referred to in Section 3.1 have been substantially completed. There may be a few minor works that will be completed as

homes are constructed or that are to be installed once sufficient homes are built to warrant their installation.

### **5.3. Warranties**

As each purchaser will be acquiring unimproved Lots and any development within the Lots will be the owner's responsibility, there are no construction or other warranties being provided by the Developer.

## **6. Approvals and Finances**

### **6.1. Development Approval**

Preliminary layout approval for the Development (including the overall Tobiano project) was issued by the MoT being the approving officer for the region in the following preliminary layout approval letters: 02-015-15047 (as revised); 02-015-15107; 02-015-0214; 02-015-0215; 02-015-15196; 02-015-15048; 02-015-15046; 02-015-15164; 02-015-15216; 2009-06762; 02-015-15306; and 2010-02289 (EDSA File).

There are no building or occupancy restrictions with reference to the Lots other than those set out elsewhere in this Disclosure Statement including those provided or to be provided in the encumbrances referred to in Exhibits E, F, G and H to this Disclosure Statement.

### **6.2. Construction Financing**

The Developer has obtained from West Winds Holdings Ltd. and First West Credit Union all financing required in connection with the creation of the Lots including, without limitation, the construction or installation of the utilities and services for the Lots referred to in Section 3.1 of this Disclosure Statement. The financing described above is evidenced by the Mortgages and Assignments of Rents registered against title to the Lots in favour of West Winds Holdings Ltd. and First West Credit Union referred to in Exhibit G to this Disclosure Statement. Such Mortgages and Assignments of Rents will be discharged with respect to each Lot following or in conjunction with the completion of a sale thereof to a purchaser.

## **7. Miscellaneous**

### **7.1. Deposits**

All deposits and other monies received shall be held in trust by the Developer's solicitor, in accordance with the terms of the Agreement of Purchase and Sale and in the manner required by the *Real Estate Development Marketing Act* until such time as an instrument evidencing the interest of the purchaser of the Lot has been filed for registration in the Land Title Office, or the Agreement of Purchase and Sale has been earlier terminated.



**7.2. Agreement of Purchase and Sale**

Attached as Exhibit C is the form of Agreement of Purchase and Sale which the Developer intends to use in connection with the sale of the Lots, subject to such amendments as the Developer may from time to time determine.

**7.3. Developer's Commitments**

The Developer has not made any commitment which must be met after completion of the sale or lease of a Lot, except as set out elsewhere in this Disclosure Statement.

**7.4. Other Material Facts**

In completion of the road construction, the existing ground in and around the Lots may be graded (cut and/or filled) with structural fill or non-structural fill by the Developer to facilitate road grades and Lot grading in the subdivision.

Except as expressly provided in this Disclosure Statement, the Lots are being sold as fee simple lots in their existing state. It is the responsibility of each purchaser, prior to entering into a binding Agreement of Purchase and Sale, to conduct any due diligence which he or she deems appropriate in relation to soils or other matters that affect the viability or cost of construction. A purchaser of a Lot will for the purposes of obtaining a building permit and approval from the Design Review Committee under the Development Covenant and Design Guidelines, be required to retain the services of a geotechnical engineer at the purchaser's cost to provide a specific geotechnical assessment in respect of his or her Lot before preparing any construction plans or commencing construction and to provide written confirmation to the Design Review Committee and TNRD that the geotechnical status of a Lot is satisfactory and has not been prejudiced or impaired.

The Development is one part of the overall development of the Tobiano resort which may involve other developments adjacent to or in the vicinity of the Development. Such other developments may be carried out by the Developer and its successors and assigns, including purchasers from the Developer. Prospective purchasers should be aware that the construction of these other developments will involve noise, dirt, dust, vibrations and activities normally associated with construction projects.

The Developer cautions that the overall development of the Tobiano resort will occur over a period of time and given the inherent nature of resort development, the Developer cannot assure to the purchaser of a Lot that any or all of the other phases of the Development or other components of the Tobiano resort development will be completed at all or completed within any particular period of time.

There are no material facts which affect or could reasonably be expected to affect the value, price or use of a Lot, or the Development except as set out or referred to in this Disclosure Statement.

## 7.5. Requirement to Build Covenant

The Developer recognizes that the development of a Lot may cause disruption to the owners or occupants of other Lots. Accordingly, the Developer is encouraging the development of each Lot in a timely manner. The Development Covenant and/or Design Guidelines and each Agreement of Purchase and Sale obligate the purchaser to commence construction of a single family home including driveway and landscaping (as evidenced by the issuance of a Final Design Approval and the onsite commencement of excavation, footings and foundations) on his or her Lot within five (5) years after the registration of the transfer of the Lot from the Developer to the first owner thereof and to complete construction of the home on the Lot as evidenced by the issuance of a Certificate of Compliance – Building and a Certificate of Compliance - Landscaping within one (1) year of commencement of construction unless the Developer otherwise agrees in writing failing which some or all of the \$10,000 Compliance Deposit may be forfeited to the Developer on account of damages.

**Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of material fact contained in this Disclosure Statement, if any, and any omission to state a material fact. The Developer, its directors and any person who has signed or authorized the filing of this Disclosure Statement are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the *Real Estate Development Marketing Act*.**

### DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of March 16, 2015.

### DEVELOPER

**KAMLANDS HOLDINGS LTD.**

by its authorized signatory

  
\_\_\_\_\_  
Michael Ternier

**THE SOLE DIRECTOR OF KAMLANDS  
HOLDINGS LTD.**

  
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Michael Ternier